
News Release

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Coming to Placentia: Enhanced Infrastructure Financing District to Help Fund Transit, Other Improvements Along State Route 91 Corridor

The City of Placentia is positioning itself to be home to one of the first Enhanced Infrastructure Financing Districts (EIFDs) in California, clearing the way for transit, streetscape, and other improvements along one of the region's most congested highway corridors.

The Southern California Association of Governments (SCAG), with expert advisors from Kosmont Companies, has been working with the City of Placentia and other communities to bring EIFDs – and their tax-increment financing – to the six-county region. The Financing Districts were approved by the Legislature in 2014 as a successor to the former redevelopment agencies. These separate and independent government entities work with local agencies to finance a variety of public infrastructure and economic development projects through the value-capture mechanism known as tax increment financing.

Placentia's EIFD will help finance much-needed transit supportive infrastructure improvements directly to the north and south of the upcoming Metrolink Station along State Route 91, one of the busiest and most congested transportation corridors in Southern California.

Championed by Mayor Rhonda Shader, Mayor Pro Tem Ward Smith, and Councilmember Chad P. Wanke, the Placentia City Council approved a resolution supporting the eventual establishment of the EIFD on February 19, 2019. The Orange County Board of Supervisors voted on April 23, 2019 to adopt a resolution of intent to join in Placentia's upcoming EIFD, as introduced by Supervisor Doug Chaffee. In the coming months, the City and County will develop an infrastructure financing plan for the soon-to-be established district, and a public hearing will be held to engage and seek feedback from residents prior to formal district formation.

This City / County partnership in these early stages is the first of its kind in the state of California: "With this County partnership, the City will be able to produce over 1,600 new units of housing, create 3,900 construction jobs, and over 1,100 permanent jobs at full build out," said Mayor Rhonda Shader.

"Infrastructure improvements remain a top priority for Placentia citizens," said Mayor Pro Tem Ward Smith. "With the establishment of an EIFD, we will be able to allocate funding towards infrastructure projects that will help revitalize and improve our community."

"I am proud that Placentia and the County of Orange were able to unite in forming the first City-County EIFD in the State which will spur regional economic development." said Councilmember Chad Wanke.

“The EIFD is a unique partnership that prioritizes infrastructure projects in the Old Town area while also maintaining fiscal responsibility to the tax payers,” said City Administrator Damien R. Arrula.

Municipalities throughout California have been hamstrung in their ability to finance infrastructure improvements, economic development and affordable housing since the elimination of redevelopment agencies in 2011. Using tax-increment financing, communities have been able to divert anticipated increases in future property tax revenues to pay for projects, with no increase in residents’ property taxes. For this reason, Governor Newsom emphasized in his recent budget proposal that EIFDs should be made easier to establish through legislative action this year.

“Addressing our transportation and infrastructure challenges is going to require a variety of funding solutions. EIFDs are an important part of that equation, and we’re delighted to be able to bring this to Southern California,” said Alan D. Wapner, President of SCAG.

EIFDs allow agencies to use tax-increment financing for projects such as:

- Infrastructure, including roads, bridges and wastewater and groundwater facilities
- Affordable housing, mixed-use development and sustainable development
- Transit-oriented development
- Light rail
- Industrial structures
- Parks and open space
- Libraries
- Child care facilities
- Military base reuse
- Brownfields remediation

No public vote is required to establish a district; however a 55 percent vote is required to issue bonds (though bond issuance is not required, as other financing alternatives exist). One bill proposed in the California State Legislature, Senate Bill 128, would remove this 55 percent voting threshold – making it easier for districts to secure financing for qualifying infrastructure improvements associated with a district.

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About SCAG

SCAG is the nation’s largest metropolitan planning organization, representing six counties, 191 cities and nearly 19 million residents. SCAG undertakes a variety of planning and policy initiatives to plan for a livable and sustainable Southern California now and in the future. For more information about SCAG’s regional efforts, please visit www.scag.ca.gov.